

CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2005

| | December-05 | | | | | | | | September-05 | | | | | | Current FYTD | | Prior Year FY05 | | 3 Years Ended | 5 Years Ended |
|--|---------------|------------|-----------|-----------------|--------|---------------|--------|--------|---------------|------------|-----------|-----------------|--------|---------|--------------|---------|-----------------|--------|---------------|---------------|
| | Market Value | Allocation | | Returns-Quarter | | Returns-Month | | | Market Value | Allocation | | Returns-Quarter | | Returns | | Returns | | Net | Net | |
| | | Actual | Policy(1) | Gross | Net | Gross | Net | | | Actual | Policy(1) | Gross | Net | Gross | Net | Gross | Net | | | |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| Structured Growth | | | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 20,713,177 | 1.6% | 1.5% | 3.11% | 3.06% | 0.87% | 0.85% | | 21,678,260 | 1.6% | 1.4% | 5.51% | 5.46% | 8.80% | 8.68% | 7.79% | 7.56% | N/A | N/A | |
| Total Structured Growth | 20,713,177 | 1.6% | 1.5% | 3.11% | 3.06% | 0.87% | 0.85% | | 21,678,260 | 1.6% | 1.4% | 5.51% | 5.46% | 8.80% | 8.68% | 7.79% | 7.56% | 7.46% | -9.18% | |
| Russell 1000 Growth | | | | | 2.98% | 2.98% | -0.31% | -0.31% | | | | | 4.01% | 4.01% | 7.11% | 7.11% | 1.68% | 1.68% | 7.26% | -10.36% |
| Structured Value | | | | | | | | | | | | | | | | | | | | |
| LSV | 20,064,213 | 1.5% | 1.5% | 1.63% | 1.52% | 1.21% | 1.18% | | 21,827,863 | 1.6% | 1.4% | 5.16% | 5.06% | 6.87% | 6.66% | 18.82% | 18.35% | 14.73% | 14.78% | |
| Russell 1000 Value | | | | | 1.27% | 1.27% | 0.60% | 0.60% | | | | | 3.88% | 3.88% | 5.20% | 5.20% | 14.06% | 14.06% | 11.00% | 6.55% |
| Russell 1000 Enhanced Index | | | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 41,146,296 | 3.1% | 2.9% | 2.34% | 2.29% | 1.13% | 1.11% | | 43,296,702 | 3.2% | 2.8% | 6.50% | 6.45% | 9.00% | 8.89% | 8.17% | 7.93% | N/A | N/A | |
| Russell 1000 | | | | | 2.12% | 2.12% | 0.13% | 0.13% | | | | | 3.95% | 3.95% | 6.15% | 6.15% | 7.92% | 7.92% | N/A | N/A |
| S&P 500 Enhanced Index | | | | | | | | | | | | | | | | | | | | |
| Westridge | 42,800,074 | 3.3% | 2.9% | 2.17% | 2.10% | 0.07% | 0.05% | | 41,920,718 | 3.1% | 2.8% | 3.71% | 3.64% | 5.96% | 5.81% | 6.88% | 6.58% | N/A | N/A | |
| S&P 500 | | | | | 2.09% | 2.09% | 0.03% | 0.03% | | | | | 3.60% | 3.60% | 5.77% | 5.77% | 6.32% | 6.32% | N/A | N/A |
| Index | | | | | | | | | | | | | | | | | | | | |
| State Street | 13,133,732 | | | | 2.09% | 2.07% | 0.04% | 0.03% | 13,887,911 | | | | 3.60% | 3.58% | 5.76% | 5.72% | 6.36% | 6.27% | 8.22% | -2.45% |
| Total Index | 13,133,732 | 1.0% | 1.0% | | 2.09% | 2.07% | 0.04% | 0.03% | 13,887,911 | 1.0% | 0.9% | | 3.60% | 3.58% | 5.76% | 5.72% | 6.36% | 6.27% | 8.22% | -2.45% |
| S&P 500 | | | | | 2.09% | 2.09% | 0.03% | 0.03% | | | | | 3.60% | 3.60% | 5.77% | 5.77% | 6.32% | 6.32% | 8.28% | -2.37% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 137,857,492 | 10.5% | 9.8% | | 2.26% | 2.20% | 0.67% | 0.64% | 142,611,454 | 10.7% | 9.5% | | 5.03% | 4.97% | 7.40% | 7.27% | 9.16% | 8.89% | 9.59% | -0.28% |
| S&P 500 | | | | | 2.09% | 2.09% | 0.03% | 0.03% | | | | | 3.60% | 3.60% | 5.77% | 5.77% | 6.32% | 6.32% | 8.28% | -2.37% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| Manager-of-Managers | | | | | | | | | | | | | | | | | | | | |
| SEI | 45,665,400 | 3.5% | 3.3% | 1.16% | 0.95% | 0.06% | -0.01% | | 49,640,568 | 3.7% | 3.2% | 5.68% | 5.46% | 6.90% | 6.47% | 10.21% | 9.32% | 13.32% | N/A | |
| Russell 2000 + 200bp | | | | | 1.64% | 1.64% | -0.29% | -0.29% | | | | | 5.21% | 5.21% | 6.93% | 6.93% | 11.64% | 11.64% | 15.07% | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 45,665,400 | 3.5% | 3.3% | 1.16% | 0.95% | 0.06% | -0.01% | | 49,640,568 | 3.7% | 3.2% | 5.68% | 5.46% | 6.90% | 6.47% | 10.21% | 9.32% | 13.32% | 5.50% | |
| Russell 2000 | | | | | 1.13% | 1.13% | -0.46% | -0.46% | | | | | 4.69% | 4.69% | 5.88% | 5.88% | 9.45% | 9.45% | 12.81% | 5.71% |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | | | |
| Large Cap - Active | | | | | | | | | | | | | | | | | | | | |
| Capital Guardian | 47,599,592 | 3.6% | 3.0% | 9.78% | 9.64% | 6.28% | 6.23% | | 46,900,961 | 3.5% | 3.0% | 12.26% | 12.11% | 23.25% | 22.92% | 10.93% | 10.32% | 7.44% | -3.80% | |
| LSV | 42,268,567 | 3.2% | 3.0% | 4.44% | 4.29% | 4.35% | 4.30% | | 47,250,309 | 3.5% | 3.0% | 11.35% | 11.20% | 16.30% | 15.98% | N/A | N/A | N/A | N/A | |
| Total Large Cap - Active | 89,868,159 | 6.9% | 6.1% | 7.10% | 6.96% | 5.33% | 5.28% | | 94,151,270 | 7.0% | 5.9% | 11.82% | 11.67% | 19.76% | 19.43% | 13.86% | 13.23% | 12.39% | 7.26% | |
| MSCI EAFE - 50% Hedged | | | | | 5.84% | 5.84% | 4.68% | 4.68% | | | | | 11.07% | 11.07% | 17.55% | 17.55% | 14.41% | 14.41% | 8.84% | -2.61% |
| Small Cap - Value | | | | | | | | | | | | | | | | | | | | |
| Lazard | 10,554,609 | 0.8% | 0.8% | 3.23% | 3.01% | 6.35% | 6.28% | | 11,293,248 | 0.8% | 0.7% | 10.17% | 9.94% | 13.73% | 13.25% | 19.19% | 18.18% | N/A | N/A | |
| Citigroup Broad Market Index < \$2BN | | | | | 8.94% | 8.94% | 7.40% | 7.40% | | | | | 12.05% | 12.05% | 22.06% | 22.06% | 21.33% | 21.33% | N/A | N/A |
| Small Cap - Growth | | | | | | | | | | | | | | | | | | | | |
| Vanguard | 10,897,713 | 0.8% | 0.8% | 5.07% | 4.92% | 6.72% | 6.67% | | 11,426,450 | 0.9% | 0.7% | 10.56% | 10.41% | 16.16% | 15.84% | 24.94% | 24.11% | N/A | N/A | |
| Citigroup Broad Market Index < \$2BN | | | | | 8.94% | 8.94% | 7.40% | 7.40% | | | | | 12.05% | 12.05% | 22.06% | 22.06% | 21.33% | 21.33% | N/A | N/A |
| TOTAL INTERNATIONAL EQUITY | 111,320,481 | 8.5% | 7.6% | 6.53% | 6.37% | 5.55% | 5.50% | | 116,870,968 | 8.7% | 7.4% | 11.53% | 11.37% | 18.81% | 18.47% | 16.03% | 15.34% | 10.62% | -2.10% | |
| MSCI EAFE - 50% Hedged | | | | | 5.84% | 5.84% | 4.68% | 4.68% | | | | | 11.07% | 11.07% | 17.55% | 17.55% | 14.41% | 14.41% | 8.84% | -2.61% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | | | | | | | | | |
| Core Bond | | | | | | | | | | | | | | | | | | | | |
| Western Asset | 221,237,352 | 16.9% | 16.6% | 0.33% | 0.28% | 1.15% | 1.13% | | 214,577,020 | 16.0% | 16.6% | -0.36% | -0.41% | -0.03% | -0.13% | 7.36% | 7.14% | 7.36% | 8.59% | |
| Lehman Aggregate | | | | | 0.59% | 0.59% | 0.95% | 0.95% | | | | | -0.67% | -0.67% | -0.08% | -0.08% | 6.80% | 6.80% | 5.75% | 7.40% |
| Index | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 199,050,174 | 15.2% | 16.6% | 0.57% | 0.44% | 0.89% | 0.84% | | 198,396,925 | 14.8% | 15.5% | -0.71% | -0.84% | -0.14% | -0.41% | 4.65% | 4.08% | 5.66% | 7.26% | |
| Bank of ND CD'S | - | 0.0% | 0.0% | N/A | N/A | N/A | N/A | | 14,884,718 | 1.1% | 1.1% | 1.04% | 1.04% | N/A | N/A | 3.89% | 3.89% | 3.68% | 4.39% | |
| Total Index | 199,050,174 | 15.2% | 16.6% | 0.57% | 0.44% | 0.89% | 0.84% | | 213,281,643 | 15.9% | 16.6% | -0.58% | -0.71% | -0.01% | -0.27% | 4.61% | 4.08% | 5.41% | 7.00% | |
| Lehman Gov/Credit (3) | | | | | 0.60% | 0.60% | 0.95% | 0.95% | | | | | -0.96% | -0.96% | -0.37% | -0.37% | 4.80% | 4.80% | 5.82% | 7.35% |
| BBB Average Quality | | | | | | | | | | | | | | | | | | | | |
| Wells Capital (formerly Strong) | 220,776,890 | 16.9% | 16.6% | 0.64% | 0.58% | 1.08% | 1.06% | | 212,140,533 | 15.8% | 16.6% | -0.99% | -1.05% | -0.36% | -0.48% | 9.38% | 9.14% | 9.20% | N/A | |
| Lehman US Credit Baa | | | | | 0.39% | 0.39% | 1.03% | 1.03% | | | | | -0.97% | -0.97% | -0.58% | -0.58% | 8.60% | 8.60% | 9.42% | N/A |
| TOTAL DOMESTIC FIXED INCOME | 641,064,416 | 49.0% | 47.9% | 0.51% | 0.42% | 1.05% | 1.03% | | 639,999,196 | 47.8% | 46.4% | -0.64% | -0.72% | -0.14% | -0.31% | 6.48% | 6.23% | 7.14% | 8.14% | |
| Lehman Gov/Credit | | | | | 0.60% | 0.60% | 0.95% | 0.95% | | | | | -0.96% | -0.96% | -0.37% | -0.37% | 7.26% | 7.26% | 6.41% | 7.70% |
| TREASURY INFLATION PROTECTED SECURITIES (TIPS) | | | | | | | | | | | | | | | | | | | | |
| Northern Trust Global Investments | 135,630,304 | 10.4% | 10.0% | 0.11% | 0.09% | 1.17% | 1.17% | | 136,260,201 | 10.2% | 9.7% | 0.03% | 0.02% | 0.14% | 0.12% | 9.27% | 9.22% | N/A | N/A | |
| Western | 135,042,005 | 10.3% | 10.0% | -0.28% | -0.28% | 1.11% | 1.11% | | 136,168,139 | 10.2% | 9.7% | -0.05% | -0.05% | -0.34% | -0.34% | 9.07% | 9.07% | N/A | N/A | |
| TOTAL TIPS | 270,672,309 | 20.7% | 20.0% | -0.09% | -0.09% | 1.14% | 1.14% | | 272,428,340 | 20.3% | 19.4% | -0.01% | -0.02% | -0.10% | -0.11% | 9.18% | 9.16% | N/A | N/A | |
| LB US TIPS Index | | | | | 0.11% | 0.11% | 1.23% | 1.23% | | | | | 0.02% | 0.02% | 0.13% | 0.13% | 9.77% | 9.77% | N/A | N/A |
| REAL ESTATE | | | | | | | | | | | | | | | | | | | | |
| JP Morgan | 27,651,392 | 2.1% | 5.5% | N/A | N/A | 0.00% | -0.14% | | - | 0.0% | 5.3% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| NCREIF Total Index | | | | | 4.44% | 4.44% | 1.46% | 1.46% | | | | | 4.44% | 4.44% | 9.08% | 9.08% | 15.97% | 15.97% | N/A | N/A |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 74,891,976 | 5.7% | 5.9% | 1.07% | 1.07% | 0.42% | 0.42% | | 117,267,199 | 8.8% | 8.7% | 0.93% | 0.93% | 2.01% | 2.01% | 2.46% | 2.46% | 1.74% | 2.68% | |
| 90 Day T-Bill | | | | | 0.92% | 0.92% | 0.32% | 0.32% | | | | | 0.83% | 0.83% | 1.75% | 1.75% | 2.15% | 2.15% | 1.55% | 2.62% |
| TOTAL INSURANCE TRUST | 1,309,123,466 | 100.0% | 100.0% | 1.09% | 1.01% | 1.31% | 1.29% | | 1,338,817,725 | 100.0% | 100.0% | 1.47% | 1.40% | 2.57% | 2.42% | 7.42% | 7.16% | 8.33% | 4.82% | |
| POLICY TARGET BENCHMARK | | | | | 1.30% | 1.30% | 1.14% | 1.14% | | | | | 1.22% | 1.22% | 2.54% | 2.54% | 8.10% | 8.10% | 8.00% | 5.02% |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.

(2) Prior to January 1, 2005, the benchmark was First Boston Convertible Index

(3) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.